



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 26, 1996

Sal Venticinque
Bureau of Land Management
Grand Resource Area
82 East Dogwood Avenue
Moab, Utah 84532

Re: Plan of Operations classified as Notice of Intention to Commence Small Mining Operations, Pene Mining, Pussycat 1-6 Project, S/019/030, (BLM UTU-72507), Grand County, Utah

Dear Mr. Venticinque:

Thank you for forwarding the Plan Of Operations (Plan) submitted by Ron Pene of Pene Mining. The Division received this information on March 4, 1996. The Plan identifies the project as involving the Pussycat 1-6 claims and the Kellie Jo 1-22 claims. The location of the proposed activity is within Sections 22, 23, 26 and 27, T20S, R25E, SLBM, Grand County, Utah. The majority of the project area is within the southeast quarter of section 22 located on the east side of the Colorado River.

Page two of the Plan proposes three acres or less of disturbance during 1996. Division rules categorize operations disturbing five acres or less as a "Small Mining Operation;" therefore, we have evaluated the Plan under the "Small Mining Operation" section of our rules. Prior to receiving this Plan, we received a Small Mining Operations Notice of Intention (SMO-NOI) on May 3, 1995 from Ron Pene. We delayed processing that SMO due to the pending BLM Notice of Noncompliance and appeal.

The maps submitted with the Plan identify existing side roads, existing surface disturbances, existing structures, and existing fencing. The area coded as existing surface disturbance on map A (shown in pink) encompasses over 100 acres. The Plan does not identify which of these existing surface disturbances, if any, were created by Pene Mining. Since this is BLM administered land, which of these pre-existing disturbances is the operator considered responsible for reclaiming? If the operator is responsible for more than a total of five acres of disturbance (currently existing and proposed) the Division would classify this proposed operation as a "Large Mining Operation" which requires more detailed permitting and a reclamation surety.

The maps in the Plan fail to identify any specific locations for the proposed work. The SMO-NOI received by the Division described the proposed work as being done in pre-existing work sites, but no specific locations within these pre-existing sites were given.



Page 2
Sal Venticinque
S/019/030
March 26, 1996

The description of proposed activities in the SMO-NOI was inadequate ("testing, sampling, both lode and placer"). The Plan provides some additional information such as "searching for and removing minerals, mineral samples and specimens using hand equipment such as picks, shovels, buckets and wheelbarrow. A small one yard bucket rubber tired front end loader may be used for the proposed operations and reclamation." The information from these two submissions has now satisfied this particular section of our SMO-NOI requirements.

The submitted SMO-NOI indicated no variances from the Operation and Reclamation Practices were requested; therefore, the operator is expected to comply with all these practices. The operator is not required to comply with practices which apply to features which are nonexistent at the specific site.

This letter is to inform you that the Plan and SMO-NOI submitted for this operation cannot be considered complete at this time. The Division requires additional information describing: (1) the amount of disturbance currently existing at the site for which the operator will be held responsible for reclaiming by the BLM, and (2) the specific locations for the proposed work. It is understood that your office, acting as "Lead Agency" will notify the operator accordingly. Please note that we have sent the operator a copy of this letter as well.

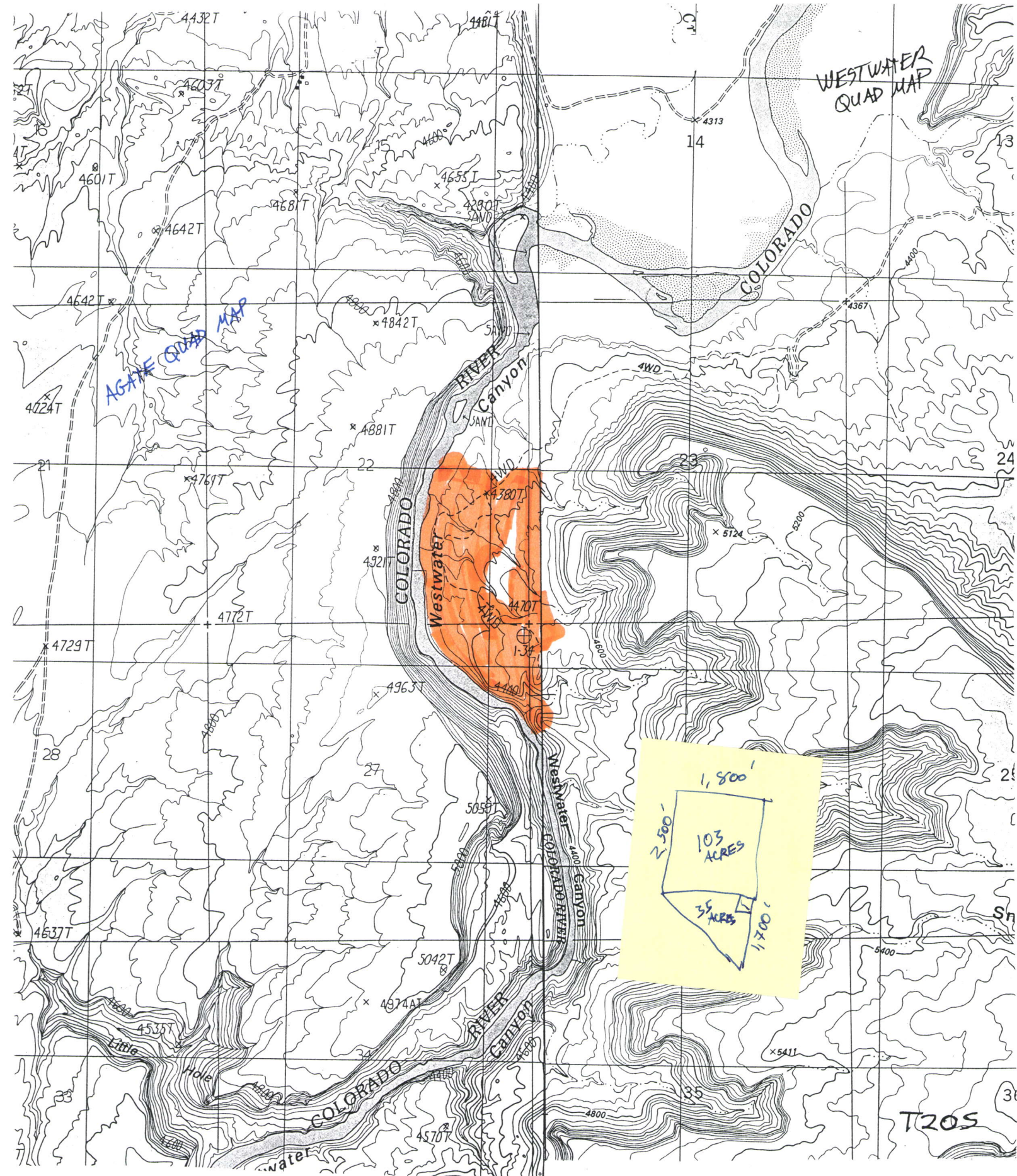
Please provide us with copies of any correspondence your office sends or receives regarding this operation. In addition, please keep us informed of the status of the notice of noncompliance. Please reference our designated file number S/019/030 when forwarding additional information on this project. Thank you for your continued cooperation and assistance.

Sincerely,



Anthony A. Gallegos
Senior Reclamation Specialist

jb
cc: Roger L. Bon, UGS
Ronald Pene, Pene Mining
Lowell Braxton, DOGM
Tracking File
S019030.amd



EXISTING
 ORANGE INDICATES APPROXIMATE AREA OF DISTURBANCE SHOWN IN
 PENE PLAN OF OPERATIONS RECEIVED MARCH 4, 1996.
 MAP BY DOGM

SCALE 1 INCH = 2000 FEET

5/01/030
 UH-72507